

Amendment No. 1 to HB1849

Fitzhugh
Signature of Sponsor

FILED

Date _____

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Clerk _____

Comm. Amdt. _____

AMEND Senate Bill No. 1764*

House Bill No. 1849

by deleting all language after the enacting clause and by substituting instead the following:

SECTION 1. Tennessee Code Annotated, Section 12-3-908(a), is amended by deleting the same in its entirety and by substituting instead the following:

(a) The policy or policies of insurance provided herein shall be obtained by the state treasurer subject to the approval of the board of claims. Notwithstanding title 56, chapter 14, part 1 or any other law to the contrary, the state treasurer, with the approval of the board of claims, shall consider proposals from admitted carriers and non-admitted surplus lines carriers. To be eligible for consideration hereunder, non-admitted carriers must (i) have a minimum A.M. Best rating of "A XIV"; (ii) be a member of an insurance holding company system, as defined in § 56-11-201(b)(6), that has at least one affiliate carrier admitted in Tennessee as a property/casualty insurer; and (iii) submit a premium quote that is at least ten percent (10%) less than the minimum quote provided by all qualified admitted carriers. Should A.M. Best change or amend its rating methodology, then the board of claims shall adopt a minimum rating requirement that is equivalent to the rating as stated in this subsection (a). The state treasurer shall place such insurance directly with the companies without policies being countersigned, etc., notwithstanding the provisions of § 56-2-409.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.